

**PIUTE COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

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*Phone 896-6488*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Piute County as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Piute County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

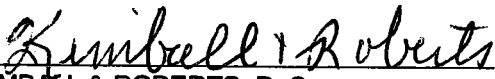
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Piute County as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2007, on our consideration of Piute County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 6 through 14, 40 and 41 through 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Board of County Commissioners  
Piute County  
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Piute County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Piute County. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

May 31, 2007  
Richfield, Utah

## PIUTE COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Piute County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2006. This report is in conjunction with the County's financial statements.

**All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

The purpose of the County is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

### Financial Highlights

- \* The assets of Piute County exceeded its liabilities as of the close of the most recent year by \$4,067 (*net assets*). Of this amount, \$391 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \* The government's total net assets decreased by 3%. The revenues did not meet or exceed the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- \* At the close of the current year, the Piute County governmental funds reported combined ending fund balances of \$639, a decrease of \$91 in comparison with the prior year. Approximately 65 percent of this total amount, \$413, is available for spending at the government's discretion (*unreserved fund balance*).
- \* At the end of the current year, unreserved fund balance for the general fund was \$315, or 28 percent of total general fund expenditures.
- \* Piute County's total debt decreased by \$23 during the current year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Piute County's basic financial statements. Piute County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Piute County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Piute County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Piute County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Piute County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Piute County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. There are no business-type activities in the financial statements of Piute County.

The government-wide financial statements include not only Piute County itself (*known as the primary government*) but also one legally separate special service district. Piute County is financially accountable for the District financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Piute County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Piute County can be divided into two categories: governmental funds, and fiduciary funds.

## **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Piute County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, B-Road fund and Building Authority Fund, all of which are considered to be major funds.

Piute County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Piute County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

### **Notes To The Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Piute County.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Piute County, assets exceeded liabilities by \$4,067 at the close of the most recent fiscal year.

By far the largest portion of Piute County's net assets (84 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Piute County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**Governmental Activities:  
Piute County's Net Assets**

	<u>2006</u>	<u>2005</u>	<u>Difference</u>
Current and Other Assets	811	796	15
Capital Assets	<u>4,117</u>	<u>4,155</u>	<u>(38)</u>
Total Assets	<u>4,928</u>	<u>4,951</u>	<u>(23)</u>
Long-Term Liabilities Outstanding	648	712	(64)
Other Liabilities	<u>213</u>	<u>66</u>	<u>147</u>
Total Liabilities	<u>861</u>	<u>778</u>	<u>83</u>
Net Assets:			
Invested in Capital Assets - Net of Related Debt	3,449	3,444	5
Restricted	227	367	(140)
Unrestricted	<u>391</u>	<u>362</u>	<u>29</u>
Total Net Assets	<u>4,067</u>	<u>4,173</u>	<u>(106)</u>

A portion of Piute County's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$391) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Piute County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities decreased Piute County's net assets by \$107. Key elements of this decrease follows:

**Piute County's Changes in Net Assets**

	<u>2006</u>	<u>2005</u>	<u>Difference</u>
<b>Revenues:</b>			
Program Revenues:			
Charges For Services	245	309	(64)
Operating Grants and Contributions	726	615	111
General Revenues:			
Property Taxes	329	289	40
Other Taxes	174	139	35
Unrestricted Investment Earnings	26	19	7
Other	<u>127</u>	<u>162</u>	<u>(35)</u>
Total Revenues	<u>1,627</u>	<u>1,533</u>	<u>94</u>

## Piute County's Changes in Net Assets (Continued)

	2006	2005	Difference
<b>Expenses:</b>			
General Government	604	547	57
Public Safety	419	245	174
Public Health	72	65	7
Highways and Public Improvements	529	476	53
Economic Development	48	75	(27)
Culture and Recreation	42	17	25
Interest on Long-Term Debt	19	21	(2)
<b>Total Expenses</b>	<b>1,733</b>	<b>1,446</b>	<b>287</b>
 Increase in Net Assets	 (106)	 87	 (193)
 Net Assets - Beginning	 4,173	 4,086	 87
 Net Assets - End	 4,067	 4,173	 (106)

### Business-Type Activities

There were no business-type activities.

### Financial Analysis of the Government's Funds

As noted earlier, Piute County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of Piute County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Piute County's governmental funds reported combined ending fund balances of \$639, an decrease of \$91 in comparison with the prior year. Approximately 65 percent of this amount \$413 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to highways and public improvements (\$180) and to Bond Reserves (\$46).

The general fund is the chief operating fund of Piute County. At the end of the current year, unreserved fund balance of the general fund was \$315, while total fund balance reached \$639. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

## General Fund Budgetary Highlights

During the year the actual revenues were less than budgeted revenues by \$28 and actual expenditures were less than budgeted expenditures by \$73.

## Capital Asset and Debt Administration

### Capital Assets

Piute County's investment in capital assets for its governmental activities as of December 31, 2006, amounts to \$4,117 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, vehicles, and infrastructure.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

### Piute County's Capital Assets (net of depreciation)

	<u>2006</u>	<u>2005</u>	<u>Difference</u>
Land	579	579	-
Buildings	2,436	2,514	(78)
Equipment	260	232	28
Vehicles	117	104	13
Infrastructure	<u>725</u>	<u>726</u>	<u>(1)</u>
Total	<u>4,117</u>	<u>4,155</u>	<u>(38)</u>

Additional information on Piute County's capital assets can be found in the notes to the financial statements.

### Long -Term Debt

At the end of the current year, Piute County had total bonded debt outstanding of \$668. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

### Piute County's Outstanding Debt

	<u>2006</u>	<u>2005</u>	<u>Difference</u>
1998 Revenue Bonds	<u>668</u>	<u>691</u>	<u>(23)</u>
Total	<u>668</u>	<u>691</u>	<u>(23)</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Piute County has no general obligation debt outstanding. General Obligations Bonds are debts that are secured by taxing real and personal property for the payments. Revenue bonds are debts secured by a determined and allocated revenue source outside of property taxes.

Additional information on Piute County's long-term debt can be found in the notes of the financial statements.

#### **Economic Factors and Next Year's Budgets and Rates**

- \* The unemployment rate for Piute County is 4.0. This is lower than the State's average unemployment rate of 4.3 percent and lower than the national average rate of 5.1 percent which is consistent with prior years because of our rural nature.

These factors were considered in preparing Piute County's budget for 2007 year.

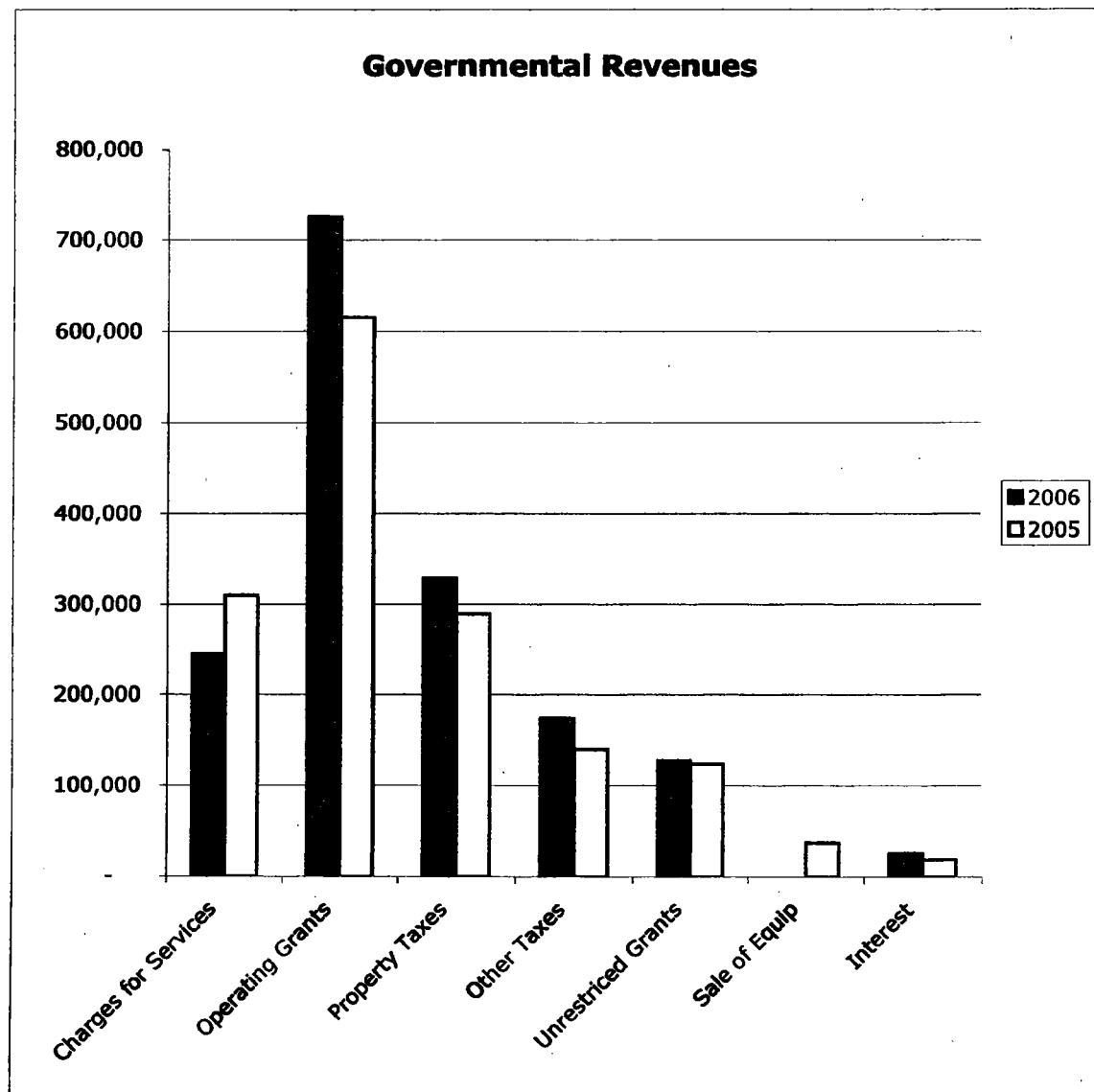
Other revenue sources have remained stable.

#### **Request for Information**

This financial report is designed to provide a general overview of Piute County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Piute County Clerk/Auditor, 550 North Main, Junction, Utah, 84740.

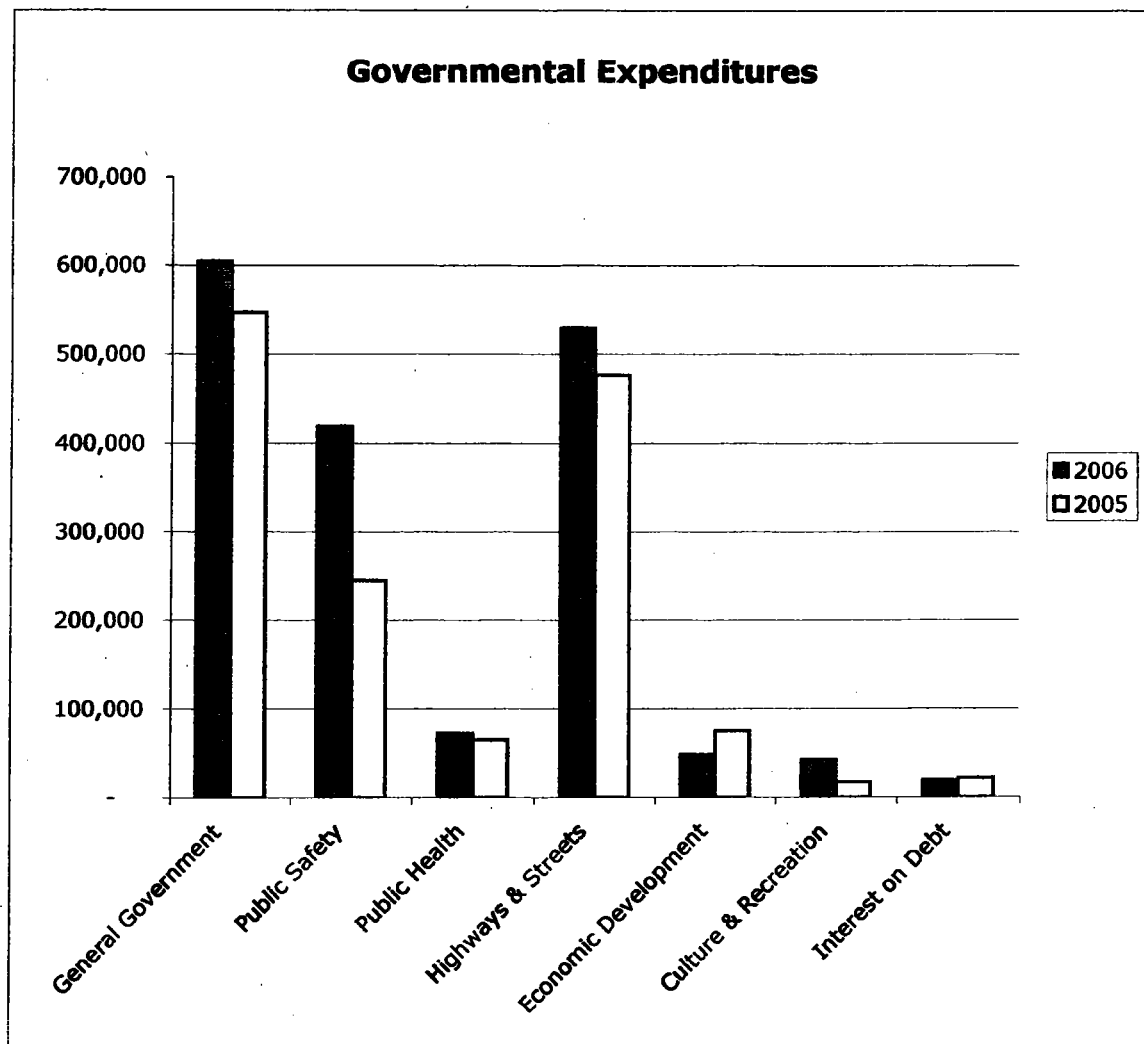
**Piute County  
Governmental Revenues  
For The Years Ending December 31, 2006 and 2005**

	2006	2005
Charges for Services	244,694	309,455
Operating Grants	725,815	615,317
Property Taxes	328,991	288,980
Other Taxes	173,930	139,407
Unrestricted Grants	127,275	123,659
Sale of Equip	-	37,500
Interest	25,877	18,670
<b>Total Revenues</b>	<b>1,626,582</b>	<b>1,532,988</b>



**Piute County  
Governmental Expenditures  
For The Years Ending December 31, 2006 and 2005**

	2006	2005
General Government	604,462	546,460
Public Safety	418,674	244,952
Public Health	71,826	64,967
Highways & Streets	528,808	476,259
Economic Development	48,081	74,763
Culture & Recreation	42,027	16,902
Interest on Debt	19,262	21,318
<b>Total Expenditures</b>	<b>1,733,140</b>	<b>1,445,621</b>





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## **BASIC FINANCIAL STATEMENTS**

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**PIUTE COUNTY  
STATEMENT OF NET ASSETS**

**December 31, 2006**

	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	637,760	345,896
Due From Other Government Units	<u>127,304</u>	<u>-</u>
Total Current Assets	<u>765,064</u>	<u>345,896</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	45,900	19,285
Capital Assets (Net of Accumulated Depreciation):	<u>4,117,223</u>	<u>107,658</u>
Total Noncurrent Assets	<u>4,163,123</u>	<u>126,943</u>
TOTAL ASSETS	<u><u>4,928,187</u></u>	<u><u>472,839</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	172,147	135,609
Accrued Landfill Closure Costs	-	750
Accrued Interest Payable	18,400	969
Revenue Bonds Payable - Due Within One Year	<u>23,000</u>	<u>249</u>
Total Current Liabilities	<u>213,547</u>	<u>137,577</u>
Noncurrent Liabilities:		
Revenue Bonds Payable - More Than One Year	645,000	46,751
Compensated Absences	<u>3,020</u>	<u>-</u>
Total Noncurrent Liabilities	<u>648,020</u>	<u>46,751</u>
TOTAL LIABILITIES	<u>861,567</u>	<u>184,328</u>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Debt	3,449,223	60,658
Restricted For:		
Class B Road	180,115	-
Bond Reserves	45,900	-
Construction	-	12,719
Landfill	-	6,566
Unrestricted	<u>391,382</u>	<u>208,568</u>
TOTAL NET ASSETS	<u>4,066,620</u>	<u>288,511</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>4,928,187</u></u>	<u><u>472,839</u></u>

The notes to the financial statements are an integral part of this statement.



**PIUTE COUNTY  
STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2006

Function/Programs	Program Revenues				Net (Expense) Revenues Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Primary	Component Units
					Governmental Activities	
Governmental Activities:						
General Government	604,462	157,722	53,451	-	(393,289)	-
Public Safety	418,674	16,925	208,472	-	(193,277)	-
Public Health	71,826	29,904	39,628	-	(2,294)	-
Highways and Public Improvements	528,808	12,715	359,241	-	(156,852)	-
Economic Development	48,081	27,428	57,382	-	36,729	-
Culture and Recreation	42,027	-	7,641	-	(34,386)	-
Interest on Long-Term Debt	19,262	-	-	-	(19,262)	-
Total Primary Government	1,733,140	244,694	725,815	-	(762,631)	-
Component Units:						
Governmental Type:						
Landfill District	685,786	29,950	317,684	306,618	-	(31,534)
Total Component Units	685,786	29,950	317,684	306,618	-	(31,534)
General Revenues:						
Property Taxes					328,991	-
Fee-In-Lieu of Property Taxes					45,850	-
Sales Taxes					102,822	-
Transient Room Tax					25,258	-
Grants and Contributions Not Restricted to Specific Programs					127,275	-
Unrestricted Investment Earnings					25,877	16,811
Total General Revenues and Transfers					656,073	16,811
Change in Net Assets					(106,558)	(14,723)
Net Assets - Beginning					4,173,178	303,234
Net Assets - Ending					4,066,620	288,511

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2006**

	General Fund	Class B Roads Fund	Building Authority Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	323,919	215,881	143,860	683,660
Due From Other Government Units	58,008	69,296	-	127,304
<b>TOTAL ASSETS</b>	<u>381,927</u>	<u>285,177</u>	<u>143,860</u>	<u>810,964</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	67,086	105,061	-	172,147
<b>Total Liabilities</b>	<u>67,086</u>	<u>105,061</u>	<u>-</u>	<u>172,147</u>
Fund Balances:				
Reserved For:				
Class "B" Road	-	180,116	-	180,116
Bond Reserves	-	-	45,900	45,900
Unreserved, Reported In:				
General Fund	314,841	-	-	314,841
Special Revenue Funds	-	-	97,960	97,960
<b>Total Fund Balance</b>	<u>314,841</u>	<u>180,116</u>	<u>143,860</u>	<u>638,817</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>381,927</u>	<u>285,177</u>	<u>143,860</u>	<u>810,964</u>

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**December 31, 2006**

Total Fund Balances - Governmental Fund Types	638,817
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	579,000	
Buildings	2,435,500	
Equipment	260,087	
Vehicles	117,386	
Infrastructure	<u>725,250</u>	
 Total		 4,117,223

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Revenue Bonds Payable	(668,000)	
Compensated Absences	(3,020)	
Interest Payable	<u>(18,400)</u>	
 Total		 <u>(689,420)</u>

Net Assets of Government Activities	<u><u>4,066,620</u></u>
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**PIUTE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2006**

	<u>General Fund</u>	<u>Class B Roads Fund</u>	<u>Building Authority Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property Tax	328,991	-	-	328,991
Fee-In-Lieu of Property Tax	45,850	-	-	45,850
Sales Tax	102,822	-	-	102,822
Transient Room Tax	25,258	-	-	25,258
Licenses and Permits	11,356	-	-	11,356
Intergovernmental	441,467	354,241	57,382	853,090
Charges for Services	122,885	-	-	122,885
Fines and Forfeitures	58,023	-	-	58,023
Interest	13,671	11,959	247	25,877
Miscellaneous	39,714	12,715	-	52,429
	<u>1,190,037</u>	<u>378,915</u>	<u>57,629</u>	<u>1,626,581</u>
<b>Total Revenues</b>				
	<u>1,190,037</u>	<u>378,915</u>	<u>57,629</u>	<u>1,626,581</u>
<b>Expenditures:</b>				
Current:				
General Government	520,695	-	8,737	529,432
Public Safety	384,134	-	-	384,134
Public Health	65,826	-	-	65,826
Highways and Public Improvements	16,781	444,737	-	461,518
Culture and Recreation	42,027	-	-	42,027
Economic Development	48,081	-	-	48,081
Capital Outlay	67,526	75,987	-	143,513
Debt Service:				
Principal	-	-	23,000	23,000
Interest	-	-	19,862	19,862
	<u>1,145,070</u>	<u>520,724</u>	<u>51,599</u>	<u>1,717,393</u>
<b>Total Expenditures</b>				
	<u>1,145,070</u>	<u>520,724</u>	<u>51,599</u>	<u>1,717,393</u>
<b>Net Change In Fund Balance</b>				
	44,967	(141,809)	6,030	(90,812)
<b>Fund Balance - Beginning</b>				
	<u>269,874</u>	<u>321,925</u>	<u>137,830</u>	<u>729,629</u>
<b>Fund Balance - Ending</b>				
	<u>314,841</u>	<u>180,116</u>	<u>143,860</u>	<u>638,817</u>

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Year Ended December 31, 2006**

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	(90,812)
---------------------------------------------------------	----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(181,580)	
Capital Outlay	<u>143,513</u>	
Total		(38,067)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Accrued Interest Expense	600	
Bond Principal Payments	23,000	
Compensated Absences	<u>(1,279)</u>	
Total		<u>22,321</u>

Changes In Net Assets of Governmental Activities	<u>(106,558)</u>
--------------------------------------------------	------------------

**PIUTE COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND**

**December 31, 2006**

**ASSETS:**

Cash and Investments	476,384
Taxes Receivable	19,500
Loans Receivable	<u>19,554</u>
<b>TOTAL ASSETS</b>	<b><u>515,438</u></b>

**LIABILITIES:**

Collections Payable	<u>497,183</u>
<b>TOTAL LIABILITIES</b>	<b><u>497,183</u></b>

**FIDUCIARY NET ASSETS:**

Net Assets	<u>18,255</u>
<b>TOTAL FIDUCIARY NET ASSETS</b>	<b><u>18,255</u></b>
<b>TOTAL LIABILITIES AND FIDUCIARY NET ASSETS</b>	<b><u>515,438</u></b>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Piute County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2006.

**A. Reporting Entity:**

For financial reporting purposes, Piute County has included all fund types. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these financial statements present Piute County (the primary government) and its component unit. The component unit, the Special Service District #1, is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. Complete financial statements of the individual component unit, which issued separate financial statements, can be obtained from the Piute County Clerk's office.

**Discrete Component Unit:**

This component unit is an entity which is legally separate from the County, but is financially accountable to the County or whose relationships with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve its tax rates and debt. The County could also take away its operating authority and could dissolve the District. This District was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component unit column of the combined financial statements includes the financial data of the entity:

- \* Special Service District #1 (Governmental Fund Type) - This District was created by adoption of a resolution to establish a Special Service District by the Piute County Commissioners on February 13, 1989, for the purpose of improving roads, public health, hospital, recreation, flood control, or other areas allowed by Section 17A-2-1300 of the State of Utah code. The Special Service Districts administrative control board consists of three (3) members, each of whom was appointed the County Board of Commissioners. The District has entered into an interlocal agreement with the Towns in the County to operate and maintain a sanitary landfill operation. A copy of the report can be obtained at the Piute County Auditor's office in Junction, Utah.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Piute County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The Building Authority Fund receives lease revenue payments and in turn makes revenue bond and interest payments on the new courthouse building.

Additionally the Government reports the following fund types:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer but not paid as of December 31 to the taxing entities within the County.

The Justice Court Trust Fund which collects fines and bail monies in the Justice Court and remits the monies to the appropriate agencies and parties to the court actions.

The Revolving Loan Trust Fund accounts for monies loaned to local businesses and receives principal and interest payments on those loans.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Equipment	3 - 15 Years

**Compensated Absences:**

The County has a policy which allows employees to accumulate vacation pay and sick pay. The County allows 16 hours of vacation pay to be carried over from year to year.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at year end.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Commissioners, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**G. Property Taxes:**

Property taxes are assessed and collected for the County by Piute County and remitted to the County shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable November 1, and are delinquent after November 30. All dates are in the year of levy.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Investments".

**Deposits:**

At December 31, 2006, the carrying amount of Piute County's deposits for the primary government was \$130,441 and the bank balance was \$119,486. Of the bank balance \$100,000 was covered by federal depository insurance. At December 31, 2006, the carrying amount for the component units was \$158,813 and the bank balance was \$102,999. All of the bank balance was covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Primary Government:**

Cash and investments as of December 31, 2006, consist of the following:

	<u>Fair Value</u>
Demand Deposits	130,441
Investments - PTIF	983,455
Zions Escrow	<u>46,148</u>
<b>Total Cash and Investments</b>	<b><u><u>1,160,044</u></u></b>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	637,760
Governmental Activities - Restricted	45,900
Fiduciary Fund	<u>476,384</u>
<b>Total Cash and Cash Equivalents</b>	<b><u><u>1,160,044</u></u></b>

**Component Unit:**

Cash and investments as of December 31, 2006, consist of the following:

	<u>Fair Value</u>
Demand Deposits	158,813
Investments - PTIF	<u>206,369</u>
<b>Total Cash and Investments</b>	<b><u><u>365,182</u></u></b>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	345,897
Governmental Activities - Restricted	<u>19,285</u>
<b>Total Cash and Cash Equivalents</b>	<b><u><u>365,182</u></u></b>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2006, \$19,486 of the local government's bank balances of \$119,486 were uninsured and uncollateralized.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the UMMA.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2006, the local government has investments of \$983,455 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**NOTE 3 - BOND RESERVES**

The Piute County Municipal Building Authority is required to make an annual deposit to the Debt Service Reserve Account for the Courthouse bond. The amount of the annual payment is \$7,284. These annual deposits will continue until the balance in the Reserve Account reaches \$43,704 at which time no additional contributions are required. The balance of the account at December 31, 2006, was \$45,900.

**NOTE 4 - TRANSIENT ROOM TAX**

Generally, the activity relating to Transient Room Tax is recorded in a Special Revenue Fund. However, due to the relatively small amount of collections received by Piute County, the revenue and expenditures are recorded, and budgeted for, in the General Fund.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2006, was as follows:

**Capital Assets (Primary Government):**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	19,000	-	-	19,000
Land Under Roads	560,000	-	-	560,000
Infrastructure	<u>725,250</u>	<u>-</u>	<u>-</u>	<u>725,250</u>
 Total Capital Assets Not Being Depreciated	 <u>1,304,250</u>	 <u>-</u>	 <u>-</u>	 <u>1,304,250</u>
 Capital Assets Being Depreciated:				
Buildings	3,140,000	-	-	3,140,000
Equipment	977,200	92,357	-	1,069,557
Vehicles	<u>252,000</u>	<u>51,156</u>	<u>-</u>	<u>303,156</u>
 Total Capital Assets Being Depreciated	 <u>4,369,200</u>	 <u>143,513</u>	 <u>-</u>	 <u>4,512,713</u>
 Less Accumulated Depreciation For:				
Buildings	626,000	78,500	-	704,500
Equipment	744,560	64,910	-	809,470
Vehicles	<u>147,600</u>	<u>38,170</u>	<u>-</u>	<u>185,770</u>
 Total Accumulated Depreciation	 <u>1,518,160</u>	 <u>181,580</u>	 <u>-</u>	 <u>1,699,740</u>
 Total Capital Assets Being Depreciated (Net)	 <u>2,851,040</u>	 <u>(38,067)</u>	 <u>-</u>	 <u>2,812,973</u>
 Governmental Activities Capital Assets, Net	 <u><u>4,155,290</u></u>	 <u><u>(38,067)</u></u>	 <u><u>-</u></u>	 <u><u>4,117,223</u></u>



**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

General Government	73,750
Public Safety	34,540
Public Health	6,000
Highways and Public Improvements	<u>67,290</u>
Total Depreciation Expense	<u><u>181,580</u></u>

**Capital Assets (Component Units):**

Statement of Changes in Capital Assets (Component Units) as of December 31, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Capital Assets Being Depreciated:				
Equipment	46,000	49,954	-	95,954
Vehicles	<u>34,793</u>	<u>24,350</u>	<u>-</u>	<u>59,143</u>
Total Capital Assets Being Depreciated	<u>80,793</u>	<u>74,304</u>	<u>-</u>	<u>155,097</u>
Less Accumulated Depreciation For:				
Equipment	37,950	3,550	-	41,500
Vehicles	<u>3,250</u>	<u>4,689</u>	<u>-</u>	<u>7,939</u>
Total Accumulated Depreciation	<u>41,200</u>	<u>8,239</u>	<u>-</u>	<u>49,439</u>
Total Capital Assets Being Depreciated (Net)	<u>39,593</u>	<u>(8,239)</u>	<u>-</u>	<u>105,658</u>
Governmental Activities Capital Assets, Net	<u><u>41,593</u></u>	<u><u>(8,239)</u></u>	<u><u>-</u></u>	<u><u>107,658</u></u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 6 - MUNICIPAL BUILDING AUTHORITY**

During 1997 the Piute County Municipal Building Authority completed construction of a new courthouse facility a cost of \$2,500,000. The Municipal Building Authority has entered into lease agreements with Federal and State agencies for space in the new courthouse facility. Proceeds from these lease agreements are pledged to service the revenue bond indebtedness. The estimated revenue from these leases will cover the annual debt service payment.

**NOTE 7 - LONG-TERM DEBT**

**Primary Government:**

During 1996 the Piute County Municipal Building Authority issued \$850,000 of revenue bonds at 3% interest to the Community Impact Board for the purpose of financing a new courthouse building.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	23,000	20,040	43,040
2008	24,000	19,350	43,350
2009	25,000	18,630	43,630
2010	25,000	17,880	42,880
2011	26,000	17,130	43,130
2012-2016	145,000	73,350	218,350
2017-2021	165,000	50,400	215,400
2022-2026	193,000	24,060	217,060
2027-2031	42,000	1,260	43,260
	<u>668,000</u>	<u>242,100</u>	<u>910,100</u>

The following is a schedule of changes in bonds payable:

	Outstanding December 31, 2005	Issued	Matured	Outstanding December 31, 2006
1996 CIB Revenue Bonds Courthouse	<u>691,000</u>	<u>-</u>	<u>23,000</u>	<u>668,000</u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Component Unit:**

On June 1, 2006, the Piute County Special Service District issued a Water Revenue Bond, Series 2006 for \$47,000. The bonds carry an interest rate of 4.125%. Repayment will begin on July 1, 2007 with payments of \$203 thereafter. Funds were used to extend culinary water lines from Marysville Town to Thompsonville, an unincorporated area.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	249	969	1,218
2008	508	1,928	2,436
2009	528	1,908	2,436
2010	550	1,886	2,436
2011	573	1,863	2,436
2012-2016	3,239	8,941	12,180
2017-2021	3,965	8,215	12,180
2022-2026	4,853	7,327	12,180
2027-2031	5,940	6,240	12,180
2032-2036	7,270	4,910	12,180
2037-2041	8,899	3,281	12,180
2042-2046	<u>10,426</u>	<u>1,288</u>	<u>11,714</u>
	<u><u>47,000</u></u>	<u><u>48,756</u></u>	<u><u>95,756</u></u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 8 - CLASS "B" ROADS**

The following is a schedule of changes in Class "B" Roads:

Receipts:	
State Allotments	354,241
Interest	11,958
Reimbursements	<u>12,715</u>
Total Receipts	<u>378,914</u>
Expenditures:	
Salaries and Wages	152,730
Employee Benefits	98,667
Travel	2,630
Supplies	150,782
Utilities	5,320
Professional Services	17,208
Special Department Supplies	6,465
Insurance	8,000
Capital Outlay	<u>78,922</u>
Total Expenditures	<u>520,724</u>
Excess Receipts Over Expenditures	(141,810)
Balance - Beginning of Year	<u>321,925</u>
Balance - End of Year	<u><u>180,115</u></u>

**NOTE 9 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties.

Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Mutual is reinsured through commercial companies in excess of \$150,000 for property to a limit of \$50,000,000 and \$250,000 for liability to a limit of \$750,000 with a combined excess aggregate of \$1,000,000 to \$1,350,000. The Mutual does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 9 - RISK MANAGEMENT (CONTINUED)**

In 2006 the County provided medical and health through a policy with Public Employees Health Plan (PEHP) of Utah. This program is administered through Utah Local Governments Trust, a self-funded risk financing pool of Utah Governmental entities, i.e., Cities, Towns and Counties. The maximum out-of-pocket expense per person per year is \$1,000 or \$2,000 per family per year.

Claims have not exceeded coverage in any of the last three calendar years.

**NOTE 10 - PENSION PLAN**

**Local Governmental - Cost Sharing**

**Plan Description:**

Piute County contributes to the Local Governmental Noncontributory Retirement System and Public Safety Other Division A Noncontributory Retirement System for employers with Social Security coverage both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement System (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Piute County is required to contribute a percent of covered salary to the respective systems, 11.59% to the Noncontributory and 22.38% to the Public Safety Other Division A Noncontributory Systems. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Piute County contributions to the various systems for the years ending December 31, 2006, 2005 and 2004 respectively were; for the Noncontributory System, \$31,532.91, \$29,407.67 and \$29,907.64; and for the Public Safety Other Division A Noncontributory, \$14,429.89, \$14,884.06 and \$14,007.97 respectively. The contributions were equal to the required contributions for each year.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 11 - INDIVIDUAL COMPONENT UNIT DISCLOSURES**

Piute County has one component unit, a governmental fund type. It is described below:

**Piute County Special Service District #1:**

The District was authorized to construct, repair and maintain records and acquire and operate facilities for flood control, hospital, recreation and any other lawful public facilities. The general boundaries of the District are all of Piute County except the area in incorporated Towns.

Condensed financial statements for the component unit for the year ended December 31, 2006 follows:

**Condensed Statement of Net Assets:**

Current Assets	345,896
Noncurrent Assets	<u>126,943</u>
Total Assets	<u><u>472,839</u></u>
Current Liabilities	137,577
Long-Term Liabilities	46,751
Net Assets	<u>288,511</u>
Total Liabilities and Net Assets	<u><u>472,839</u></u>

**Condensed Statement of Revenues, Expenditures and Changes in Net Assets:**

Revenues	671,063
Current Expenditures	<u>(685,786)</u>
Excess of Revenues Over (Under) Expenditures	(14,723)
Net Assets - Beginning of Year	<u>303,234</u>
Net Assets - End of Year	<u><u>288,511</u></u>

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**PIUTE COUNTY**  
**CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**

**For The Year Ended December 31, 2006**

**Percentage of Lane-Miles in Good or Better Condition:**

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Paved	85	60	80
Gravel	90	93	95
Dirt (Native)	88	86	85
Bridges	90	90	90
Overall System	88	86	87

**Percentage of Lane-Miles in Substandard Condition:**

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Paved	10	25	20
Gravel	5	4	5
Dirt (Native)	12	12	15
Bridges	2	2	2
Overall System	7	10	10

**Comparison of Needed-to-Actual Maintenance/Preservation - Roads and Bridges:**

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Paved:			
Needed	210,000	180,000	215,000
Actual	200,000	150,000	210,000
Gravel:			
Needed	200,000	210,000	190,000
Actual	180,000	180,000	180,000
Dirt (Native):			
Needed	130,000	130,000	120,000
Actual	140,000	90,000	70,000
Overall System:			
Needed	540,000	520,000	525,000
Actual	520,000	420,000	460,000
Difference	<u>(20,000)</u>	<u>(100,000)</u>	<u>(65,000)</u>

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 80 percent of its road system at a good or better condition level. No more than 20 percent should be in substandard condition for paved and gravel roads. Condition assessments are determined every year.

This schedule only presents information for 2004, 2005 and 2006. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2004, and did not collect this information for the prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating, which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.



**PIUTE COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**For The Year Ended December 31, 2006**

**Budgetary Comparison Schedules:**

The Budgetary Comparison Schedules presented in this section of the report are for the County's General Fund, Class B Road and Municipal Building Authority Fund.

**Budgeting and Budgetary Control:**

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the County Commission prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Commission through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Taxes:</b>				
Current Property Taxes	168,940	234,900	238,144	3,244
Delinquent Prior Years Taxes	11,000	11,000	8,979	(2,021)
Assessing and Collecting Taxes	57,000	62,800	81,868	19,068
Fee-In-Lieu of Taxes	25,000	20,000	45,850	25,850
County Sales Tax	75,000	75,000	76,224	1,224
Sales and Use Tax	17,500	18,000	26,598	8,598
Transient Room Tax	5,000	8,000	25,258	17,258
<b>Total Taxes</b>	<b>359,440</b>	<b>429,700</b>	<b>502,921</b>	<b>73,221</b>
<b>Licenses and Permits</b>	<b>5,160</b>	<b>5,000</b>	<b>11,356</b>	<b>6,356</b>
<b>Intergovernmental Revenue:</b>				
Federal Monies	396,000	278,000	205,590	(72,410)
State Shared Revenue	78,200	48,000	53,403	5,403
Federal Payments in Lieu of Taxes	113,000	124,000	127,275	3,275
State Payments in Lieu of Taxes	2,040	2,175	2,160	(15)
State Liquor Fund	2,300	2,300	2,882	582
Local Units	15,000	32,800	50,157	17,357
<b>Total Intergovernmental Revenue</b>	<b>606,540</b>	<b>487,275</b>	<b>441,467</b>	<b>(45,808)</b>
<b>Charges for Services:</b>				
Clerk-Auditor Fees	2,000	2,000	1,363	(637)
Recorder's Fees	10,000	12,000	20,651	8,651
Sheriff Fees and Contracts	20,000	18,000	16,856	(1,144)
Ambulance	-	35,000	29,904	(5,096)
Emergency Management	6,000	5,000	-	(5,000)
Bailiff	400	600	69	(531)
District Court	25,000	25,000	18,638	(6,362)
Planning and Zoning	-	1,000	1,100	100
Motor Vehicle	6,000	7,000	6,876	(124)
Economic Development	43,000	35,000	27,428	(7,572)
<b>Total Charges for Services</b>	<b>112,400</b>	<b>140,600</b>	<b>122,885</b>	<b>(17,715)</b>

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues (Continued):</b>				
Fines and Forfeitures	46,000	53,000	58,023	5,023
Miscellaneous Revenue:				
Sale of Property	35,000	20,000	-	(20,000)
Interest	4,000	7,500	13,671	6,171
Refunds and Miscellaneous	40,000	35,000	39,714	4,714
Total Miscellaneous Revenue	79,000	62,500	53,385	(9,115)
Use of Surplus	25,000	40,000	-	(40,000)
Total Revenues	1,233,540	1,218,075	1,190,037	(28,038)
<b>Expenditures:</b>				
General Government:				
Commission	45,150	49,435	46,682	2,753
Judicial Court	21,450	23,175	20,602	2,573
District Court	20,350	33,615	31,072	2,543
Clerk-Auditor	41,900	46,600	43,744	2,856
Recorder-Treasurer	72,150	83,885	82,754	1,131
Attorney	39,580	41,310	40,649	661
Assessor	66,100	71,540	71,215	325
Public Defender	7,000	6,500	6,000	500
Non-Departmental	99,950	127,515	141,293	(13,778)
General Government Buildings	39,100	53,650	36,684	16,966
Total General Government	452,730	537,225	520,695	16,530
Public Safety:				
Sheriff	187,000	211,300	210,211	1,089
Liquor Law	4,500	3,300	2,732	568
Drug Enforcement	1,800	5,000	5,000	0
Jail Corrections	8,500	6,500	6,109	391
Fire Combat	7,100	4,200	3,722	478
Homeland Security	350,000	207,000	185,860	21,140
Emergency Management	14,495	15,800	15,726	74
Total Public Safety	573,395	453,100	429,360	23,740

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

For The Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued):</b>				
Public Health:				
Health Services	23,100	23,250	20,677	2,573
Ambulance	28,400	36,400	56,507	(20,107)
Public Welfare	7,775	12,050	10,942	1,108
Total Public Health	59,275	71,700	88,126	(16,426)
Highways and Public Improvements:				
County Roads	8,500	9,300	5,551	3,749
GIS/RS2477	42,800	27,750	11,230	16,520
Total Highways and Public Improvements	51,300	37,050	16,781	20,269
Conservation and Economic Development:				
Recreation and Television	28,100	9,500	906	8,594
Agriculture and Extension Service	22,000	34,350	29,644	4,706
USU Education	14,550	17,300	7,477	9,823
Exhibits	4,000	4,300	4,000	300
Economic Development	28,190	53,550	48,081	5,469
Total Conservation and Economic Development	96,840	119,000	90,108	28,892
Total Charges Expenditures	1,233,540	1,218,075	1,145,070	73,005
Excess Revenues Over (Under) Expenditures	-	-	44,967	44,967
Fund Balance - Beginning			269,874	
Fund Balance - Ending			314,841	

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
CLASS B ROAD**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental	380,000	380,000	354,241	(25,759)
Interest	8,000	8,000	11,959	3,959
Miscellaneous	10,000	10,000	12,715	2,715
Use of Surplus	250,000	250,000	-	(250,000)
<b>Total Revenues</b>	<u>648,000</u>	<u>648,000</u>	<u>378,915</u>	<u>(269,085)</u>
<b>Expenditures:</b>				
County Roads	648,000	648,000	520,724	127,276
<b>Total Expenditures</b>	<u>648,000</u>	<u>648,000</u>	<u>520,724</u>	<u>127,276</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(141,809)</u>	<u>(141,809)</u>
<b>Fund Balance - Beginning</b>			<u>321,925</u>	
<b>Fund Balance - Ending</b>			<u>180,116</u>	

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL BUILDING AUTHORITY**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental	60,000	60,000	57,382	(2,618)
Interest	500	500	247	(253)
Miscellaneous	45,000	45,000	-	(45,000)
<b>Total Revenues</b>	<u>105,500</u>	<u>105,500</u>	<u>57,629</u>	<u>(47,871)</u>
<b>Expenditures:</b>				
Administrative	60,500	60,500	8,737	51,763
<b>Debt Service:</b>				
Principal	22,000	23,000	23,000	-
Interest	23,000	22,000	19,862	2,138
<b>Total Expenditures</b>	<u>105,500</u>	<u>105,500</u>	<u>51,599</u>	<u>53,901</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	6,030	<u>6,030</u>
<b>Fund Balance - Beginning</b>			<u>137,830</u>	
<b>Fund Balance - Ending</b>			<u>143,860</u>	

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**COMBINING FINANCIAL  
STATEMENTS AND SCHEDULES**

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**PIUTE COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**

For The Year Ended December 31, 2006

	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006
<b>COUNTY J. P.'S TRUST FUND</b>				
<b>ASSETS</b>				
Cash	3,497	54,332	55,310	2,519
<b>LIABILITIES</b>				
Collections Payable	3,497	54,332	55,310	2,519
<b>TREASURER'S TRUST FUND</b>				
<b>ASSETS</b>				
Cash	465,445	864,732	857,311	472,866
Taxes Receivable	24,199	19,500	24,199	19,500
<b>TOTAL ASSETS</b>	<b>489,644</b>	<b>884,232</b>	<b>881,510</b>	<b>492,366</b>
<b>LIABILITIES</b>				
Due to Taxing Units	489,644	860,033	857,311	492,366
<b>REVOLVING LOAN FUND</b>				
<b>ASSETS</b>				
Cash	26,222	4,169	31,690	(1,299)
Loans Receivable	23,354	-	3,800	19,554
<b>TOTAL ASSETS</b>	<b>49,576</b>	<b>4,169</b>	<b>35,490</b>	<b>18,255</b>
<b>FUND BALANCE</b>				
Fund Balance	49,576	4,169	35,490	18,255
<b>BULLION CANYON</b>				
<b>ASSETS</b>				
Cash	1,982	316	-	2,298
<b>LIABILITIES</b>				
Collections Payable	1,982	316	-	2,298



(Continued)

**PIUTE COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**

For The Year Ended December 31, 2006

	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash	497,146	923,549	944,311	476,384
Taxes Receivable	24,199	19,500	24,199	19,500
Loans Receivable	23,354	-	3,800	19,554
<b>TOTAL ASSETS</b>	<b><u>544,699</u></b>	<b><u>943,049</u></b>	<b><u>972,310</u></b>	<b><u>515,438</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
Due to Taxing Units	489,644	860,033	857,311	492,366
Collections Payable	5,479	54,648	55,310	4,817
Fund Balance	49,576	4,169	35,490	18,255
<b>TOTAL LIABILITIES AND     FUND BALANCE</b>	<b><u>544,699</u></b>	<b><u>918,850</u></b>	<b><u>948,111</u></b>	<b><u>515,438</u></b>

**PIUTE COUNTY  
TREASURER'S TRUST FUND  
BALANCE SHEET**

December 31, 2006

**ASSETS:**

Cash Invested	472,866
Taxes Receivable	<u>19,500</u>
<b>TOTAL ASSETS</b>	<b><u><u>492,366</u></u></b>

**LIABILITIES:**

Collections Payable	13,639
Due to Taxing Units	<u>478,727</u>
<b>TOTAL LIABILITIES</b>	<b><u><u>492,366</u></u></b>

**PIUTE COUNTY  
COUNTY TREASURER  
CURRENT YEARS TAXABLE VALUES**

December 31, 2006

TAXING UNITS		Real Property and Centrally Assessed Values	Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
County Funds:								
General		64,132,660	.003674	235,623	689,730	.003700	2,552	238,175
State Assessing/Collecting		64,132,660	.000139	8,914	689,730	.000173	119	9,034
Local Assessing/Collecting		64,132,660	.000298	19,112	689,730	.000300	207	19,318
Total County Funds				<u>263,649</u>			<u>2,878</u>	<u>266,528</u>
Piute County School District		64,132,660	.005253	336,889	689,730	.005621	3,877	340,766
Cities and Towns:								
Circleville		15,874,440	.000643	10,207	149,105	.000650	97	10,304
Junction		6,566,530	.002524	16,574	64,960	.002524	164	16,738
Kingston		3,344,570	.001618	5,412	6,735	.001635	11	5,423
Marysvale		15,887,635	.000726	11,534	206,425	.000725	150	11,684
Total Cities and Towns				<u>43,727</u>			<u>422</u>	<u>44,149</u>
Districts:								
Central Utah Water District		64,132,660	.000357	22,895	689,730	.000400	276	23,171
Upper Sevier Water District		64,132,660	.000042	2,694	689,730	.000045	31	2,725
Total Districts				<u>25,589</u>			<u>307</u>	<u>25,896</u>
GRAND TOTALS				<u>669,854</u>			<u>7,484</u>	<u>677,338</u>

**PIUTE COUNTY  
COUNTY TREASURER  
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED  
CURRENT AND PRIOR YEARS**

**December 31, 2006**

TAXING UNITS	Current Years Taxes			
	Taxes Charged	Treasurer's Relief		Total Treasurer's Relief
		Unpaid Taxes	Abatements	
County Funds:				
General	238,175	12,448	2,555	15,003
State Assessing and Collecting	9,034	420	66	486
County Assessing and Collecting	19,318	1,119	250	1,369
Total County Funds	266,527	13,987	2,871	16,858
Central Utah Water Conservancy District	23,171	1,215	249	1,464
Upper Sevier Water Conservancy District	2,725	143	30	173
Piute County School District	340,766	17,873	3,668	21,541
Towns:				
Circleville	10,304	281	96	377
Junction	16,738	552	386	938
Kingston	5,423	40	158	198
Marysvale	11,684	702	157	859
Total Towns	44,149	1,575	797	2,372
GRAND TOTALS	677,338	34,793	7,615	42,408

Current Years Taxes		Other Collections			
Taxes Collected	Rate	Fee In Lieu	Other Collections	Delinquencies	
				Tax	Penalty/ Interest
223,172	93.70%	45,850	2,407	6,431	2,548
8,548	94.62%	1,546	100	217	86
17,949	92.91%	4,121	201	578	229
<u>249,669</u>	<u>93.67%</u>	<u>51,517</u>	<u>2,708</u>	<u>7,226</u>	<u>2,863</u>
 21,707	 93.68%	 4,938	 201	 809	 59
 2,552	 93.65%	 556	 -	 97	 8
<u>319,225</u>	<u>93.68%</u>	<u>69,393</u>	<u>3,410</u>	<u>12,214</u>	<u>927</u>
 9,927	 96.34%	 3,141	 401	 378	 22
15,800	94.40%	3,025	1,705	597	38
5,225	96.35%	1,927	1,103	88	1
10,825	92.65%	2,774	501	431	37
<u>41,777</u>	<u>94.63%</u>	<u>10,867</u>	<u>3,710</u>	<u>1,494</u>	<u>98</u>
<u>634,930</u>	<u>93.74%</u>	<u>137,271</u>	<u>10,029</u>	<u>21,840</u>	<u>3,955</u>

**PIUTE COUNTY  
TAX COLLECTION TRUST FUND  
CASH RECEIPTS AND DISBURSEMENTS**

**For The Year Ended December 31, 2006**

	<u>Treasurer's Balance December 31, 2005</u>	<u>Tax Collection Receipts</u>	<u>Current Taxes Apportioned</u>	<u>Delinquent Taxes and Interest Apportioned</u>
<b>Tax Collection Accounts:</b>				
Current Years Taxes	-	634,930	(634,930)	-
Redemption of Prior Years Taxes	-	25,795	-	(25,795)
UPP and Rollback	-	10,029	-	-
Motor Carrier	-	37,269	-	-
Fee-In-Lieu	-	137,271	-	-
Deposit Due to General Fund	-	2,259	-	-
Refunds	1,947	381	-	-
Interest	4,493	12,099	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	6,440	860,033	(634,930)	(25,795)
<b>Taxing Units:</b>				
County Funds:				
General	-	-	223,172	8,979
State Assessing and Collecting	-	-	8,548	303
Local Assessing and Collecting	-	-	17,949	807
Central Utah Water Conservancy District	28,246	-	21,707	868
Upper Sevier Water Conservancy District	3,280	-	2,552	105
Piute School District	401,432	-	319,225	13,141
Towns:				
Circleville	12,177	-	9,927	400
Junction	17,503	-	15,800	635
Kingston	7,373	-	5,225	89
Marysville	13,193	-	10,825	468
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Due Taxing Units	483,204	-	634,930	25,795
<b>GRAND TOTALS</b>	<u>489,644</u>	<u>860,033</u>	<u>-</u>	<u>-</u>

<u>Other Taxes Apportioned</u>	<u>Motor Carrier Apportioned</u>	<u>Fee-In-Lieu Apportioned</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2006</u>
-	-	-	-	-	-
-	-	-	-	-	-
(10,029)	-	-	-	-	-
-	(37,269)	-	-	-	-
-	-	(137,271)	-	-	-
-	-	-	2,259	-	2,259
-	-	-	2,328	1,692	636
-	-	-	16,592	5,848	10,744
<u>(10,029)</u>	<u>(37,269)</u>	<u>(137,271)</u>	<u>21,179</u>	<u>7,540</u>	<u>13,639</u>
2,407	12,565	45,850	292,973	292,973	-
100	424	1,546	10,921	10,921	-
201	1,129	4,121	24,207	24,207	-
201	1,360	4,938	57,320	30,474	26,846
-	157	556	6,650	3,457	3,193
3,410	19,230	69,393	825,831	433,803	392,028
401	525	3,141	26,571	13,101	13,470
1,705	932	3,025	39,600	19,070	20,530
1,103	306	1,927	16,023	7,462	8,561
<u>501</u>	<u>641</u>	<u>2,774</u>	<u>28,402</u>	<u>14,303</u>	<u>14,099</u>
<u>10,029</u>	<u>37,269</u>	<u>137,271</u>	<u>1,328,498</u>	<u>849,771</u>	<u>478,727</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,349,677</u>	<u>857,311</u>	<u>492,366</u>

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## **COMPLIANCE SECTION**

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# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Piute County as and for the year ended December 31, 2005, which collectively comprise Piute County's basic financial statements and have issued our report thereon dated June 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Piute County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Piute County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Piute County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects Piute County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Piute County's financial statements that is more than inconsequential will not be prevented or detected by Piute County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Piute County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Honorable Board of County Commissioners  
Piute County  
Page -2-

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piute County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Piute County in a separate letter dated March 31, 2007.

This report is intended solely for the information and use of the audit committee, management, County Commission and is not intended to be and should not be used by anyone other than these specified parties.



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

March 31, 2007  
Richfield, Utah

# *Kimball & Roberts*

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*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Piute County, for the year ended December 31, 2006, and have issued our report thereon dated March 31, 2007. As part of our audit, we have audited Piute County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2006. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants that are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Piute County's financial statements.)

GIS Grant (Department of Administrative Services, Div. of Info. Technology Services)  
EMS Grant (Department of Public Safety)  
Bookmobile Grant (Department of Community and Economic Development)  
RS2477 (Department of Transportation)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation & Property Tax Limitations  
Liquor Law Enforcement  
Justice Court  
B & C Road Funds

Other General Issues  
Uniform Building Code Standards  
Statement of Taxes Charged  
Collected & Disbursed  
Assessing and Collecting of  
Property Taxes  
Transient Room Tax

The management of Piute County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

The Honorable Board of County Commissioners  
Piute County  
Page -2-

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The schedule of transient room, tourism, recreation, culture and convention facilities tax expenditures on page 61 is not a required part of the basic financial statements but is information required by the State of Utah. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required information and test of expenditures. However, we did not audit the information and express no opinion on it.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Piute County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2006.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

March 31, 2007  
Richfield, Utah

**PIUTE COUNTY**  
**SCHEDULE OF TRANSIENT ROOM, TOURISM, RECREATION, CULTURE AND**  
**CONVENTION FACILITIES TAX EXPENDITURES**

**For The Year Ended December 31, 2006**

**Transient Room Tax:**

Establish and Promoting:

Recreation	-
Tourism	25,258
Film Production	-
Conventions	-

Acquiring, Leasing, Construction, Furnishing or Operating:

Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	-
Museums	-
Related Facilities	-

Acquiring or Leasing Land Required For or Related To:

Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	-
Museums	-
Related Facilities	-

Mitigation Costs:

Payment of Principal, Interest, Premiums and Reserves on Bonds	-
----------------------------------------------------------------	---

Total Expenditures	<u>25,258</u>
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**Tourism, Recreation, Culture and Convention Facilities Taxes:**

Financing Tourism Promotion	-
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Development, Operation and Maintenance of:

Tourist Facilities	-
Recreation Facilities	-
Culture Facilities	-
Pledges as Security for Evidence of Indebtedness	-

Reserves and Pledges:

Reserves on Bonds Related to TRT Funds	-
Pledges as Security for Evidences of Indebtedness Related to TRCC	-

Total Expenditures	<u>-</u>
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**PIUTE COUNTY  
MANAGEMENT LETTER  
DECEMBER 31, 2006**

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

March 31, 2006

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

During our audit of the funds of Piute County for the year ended December 31, 2006, we noted certain areas needing corrective action in order for the County to be in compliance with state laws and regulations. We also found a circumstance that, if improved, would strengthen the County's accounting system and control over its assets. These items are discussed below for your consideration.

## **COMPLIANCE:**

### **Cash Management**

Utah Code 51-4-2(2) requires that all public funds be deposited daily, whenever practicable, but no later than three days after receipt.

#### **Finding:**

During our tests of cash receipts, in the Justice Court and the Treasurer's office, we noted that the receipts were not always deposited within three days of receipt.

#### **Recommendation:**

We recommend that the County set policies to provide for the deposit of public funds daily, or within three days of receipt, as required by State Law.

#### **Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

### **Justice Court Monthly C-500 Reports to the State Treasurer**

State law requires the County to submit surcharges collected during the month to the State Treasurer by the 10th of the month following collection.

#### **Finding:**

We reviewed the C-500 reports for the year where surcharges are remitted to the State Treasurer and noted that some of the reports were dated after the 10th of the month following collection.

**Recommendation:**

We recommend that the C-500 reports, with the related surcharges, be remitted to the State Treasurer before the 10th of the month following collection.

**Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

**Budgetary Compliance**

**Finding:**

During our tests of budgetary compliance we noted that the County exceeded its budget in the Public Health Department.

**Recommendation:**

We recommend that the budget to actual be reviewed more closely to assure that none of the departments exceed the budget.

**Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

**INTERNAL CONTROLS:**

**Revolving Loan Fund**

**Finding:**

During our audit of the revolving loan fund we found that records were not being kept on individual loan balances.

**Recommendation:**

We recommend that the County institute a system to track principal and interest payments so loan balances would be available on a monthly basis.

**Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.



The Honorable Board of County Commissioners  
Piute County  
Page -3-

We would like to take this opportunity to thank Piute County's personnel for the cooperation and assistance given to us during the course of our examination.

Respectfully submitted,

  
KIMBALL & ROBERTS  
Certified Public Accountants

DKK/vl